

To: Members, Senate Committee on Michigan Competitiveness

From: Chris Mitchell, Senior Vice President, Advocacy

Date: March 21, 2018

Re: SB 897 S-1

MHA Position: Oppose at this time

As noted above, the MHA is currently opposed to SB 897 S-1. The substitute is an improvement on the bill as introduced, but does not go far enough to meet the intent of these new requirements. The bill states the intent is to use work force demand to move people to self-sufficiency. People who are in full compliance with the work, training, or education requirements can be punished with loss of medical coverage for an entire year for failure to meet a reporting requirement. This is a harsh penalty and will not help anyone obtain better employment or commercial health insurance.

We encourage the Committee on Michigan Competitiveness to consider and adopt a number of changes to the legislation listed below:

- The MHA appreciates that the definition of able-bodied is more specific and less vulnerable to subjective interpretation compared to the bill as introduced. Additional exemptions beyond those listed in the bill should be persons caring for incapacitated individual regardless of dependency, and individuals receiving unemployment benefits.
- The bill only lists work, job training for industries with jobs in an industry with proven demand and education in a field with proven demand as meeting the weekly requirement for compliance. There is no definition of proven demand, and it is not likely that all those who cannot satisfy the work requirement will attain training in these specific industries or fields. Availability is likely to be limited and training and education in other fields should not be disregarded.
- The 29 hour/week work, training, education requirement is high compared to other states. This threshold is difficult to achieve even with a combination of work and education given the challenges our state has with transportation, particularly in Southeast Michigan. The MHA recommends other qualifying activities be allowed including home schooling, volunteer services, vocational training and participation in work readiness activities.
- The bill requires alignment between the new 29-hour/week work, training, education requirement and the existing Supplemental Nutrition Assistance Program (SNAP) requirements. SNAP includes volunteer time, but SB 897 (S-1) does not. The requirements for education and training programs are less stringent. The MHA requests that the Medicaid requirements mirror the SNAP requirements. Specifically the SNAP requirements are:
 - Working an average of 20 hours per week each month in unsubsidized employment.
 - Participating for an average of 20 hours per week each month in an approved employment and training program.
 - Participating in community service by volunteering at a nonprofit organization.

Brian Peters, Chief Executive Officer

- Recording monthly income is over-regulation. Indiana assesses compliance annually. Further, the bill does not specify the degree of change in family income that must be reported. At a minimum, the requirement to report income change should apply to increased income which changes eligibility for the Medicaid and Healthy Michigan Program (HMP).
- Extensive evaluation is included in the bill. That evaluation should include a cost/benefit analysis of implementing the work, training, education requirements and the cost of maintaining compliance.
- The bill should include a change to the trigger that ends the HMP if state spending exceeds savings from the HMP. This could be changed to a trigger that ends of the program if the federal government changes the matching rate from the original Affordable Care Act. If this new requirement is enacted and Medicaid beneficiaries are complying with all of the requirements, the state should not end this program and deprive them of health care benefits. The new work requirement changes the context for the HMP and establishes a new social contract as stated in sec. 107A of the bill.